

DATE: July 3, 1995

TO: Home Health Agencies

BQC 95-026  
HHA 7

FROM: Judy Fryback, Director  
Bureau of Quality Compliance

SUBJECT: Guidance on the types of patients that are to be served by a Medicare Approved Home Health Agency

Attached are copies of letters issued by the Health Care Financing Administration (HCFA), Division of Health Standards and Quality Program. The letters indicate what types of patients should be served by Home Health Agencies that are approved by Medicare. The letters are in response to questions raised by a home health agency in Texas.

Please share this information with appropriate staff. Questions regarding the regional program letter should be forwarded to either Richard Cooperrider, Community Based Program Supervisor at (608) 267-7389 or to Stephen D. Schlough, Chief, Hospital and Health Services Section at (608)266-3878.

JF:SDS:jjf:pw 95026.nm

Attachment

cc:-BQC Staff	-WI Counties Assn.
-Office of Legal Counsel	-WI Health Info. Mgmt. Assn.
-Ann Haney, DOH Admin.	-WI Assn. of Homes & Serv/Aging
-Kevin Piper, BHCF Dir.	-St. Med. Society (Comm. Aging...)
-HCFA, Region V, M. Dykstra	-WI Health Care Association
-Illinois State Agency	-Bd. on Aging & Long Term Care
-Ohio State Agency	-WI Homecare Organization
-Michigan State Agency	-Bureau of LTS, DCS
-Indiana State Agency	-Non-LTC BQC Memo Subscribers
-Minnesota State Agency	-Mark Bunge, BPH
-WI Coalition for Advocacy	
-Serv. Employees Inter. Union	

Department of Health & Human Services  
Health Care Financing Administration  
Region V  
105 West Adams Street, 15<sup>th</sup> Floor  
Chicago, Illinois 60603-6201

Refer to: CO2

June 1995

**Division of Health Standards & Quality Regional Program Letter No. 95-12**

**Subject: Clarification Regarding Types of Patients Served by a Medicare Approved Home Health Agency**

This program letter is to forward clarification provided by HCFA's Office of Survey and Certification, Health Standards and Quality Bureau, Baltimore, on the types of patients to be served by a Medicare approved home health agency.

If you have any questions, please contact your program representative.

/s/ Cheryl A. Harris  
Branch Chief  
Survey & Certification Operations Branch  
Division of Health Standards & Quality

Enclosure

Department of Health & Human Services  
Health Care Financing Administration  
6325 Security Boulevard  
Baltimore, MD 21207

Randal T. Boston, R.N., M.A.  
National Director, Regulatory and Accreditation Affairs  
Keystone Home Health Management, Inc.  
3333 Lee Parkway, Suite 680  
Dallas, Texas 75219

Dear Mr. Boston:

I am responding to your letter requesting clarification of the types of patients to be served and those that must be served by a Medicare approved home health agency (HHA).

Your first question relates to whether an HHA must "provide services to at least one Medicare patient before the initial survey and then must have at least one Medicare patient on services throughout the year in order to be annually recertified."

The Health Care Financing Administration's (HCFA) position on this matter is that the prospective HHA must be serving patients prior to the initial survey. The patients do not have to be Medicare beneficiaries, they could be private pay patients. HCFA has not issued a policy addressing how many Medicare patients the HHA must serve in a given time frame once the HHA has been approved. However, we believe that depending on the facts in a given situation and HHA could be terminated from the Medicare program if it refuses to serve Medicare beneficiaries. The primary reason for an entity to enter into an agreement with HCFA is to serve Medicare beneficiaries (see 42 CFR 489.3 concerning the definition of a provider agreement and 489.53(a)(1)(2) concerning termination of a provider agreement because Medicare beneficiaries are treated differently than other patients).

You also asked if it is acceptable for a Medicare approved HHA "to admit only private pay/self-pay, managed care and Medicaid patients whether or not there is another related certified agency which takes care solely of the Medicare patients."

You explained that you have 2 approved HHAs at the same basic location. All referrals for Medicare patients are accepted by the agency that is solely dedicated to medicare patient care and services. The other approved HHA accepts private pay patients, managed care patients, and Medicaid patients including pediatric waiver patients. You added that It is quite common these days for private insurance carriers to require Medicare certification, and in Texas it is also a Medicaid requirement for an agency to be Medicare certified.

It is not acceptable for a Medicare approved HHA to admit only private pay/self-pay, managed care and Medicaid patients whether or not there is another related certified agency which takes care solely of the Medicare patients, because, as mentioned above, this is a violation of the HHA's provider agreement.

If you have further questions concerning this matter, please let me know.

/s/ Anthony J. Tirone  
Director  
Office of Survey and Certification  
Health Standards and Quality Bureau

cc:  
ARAS, Region I-X